

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Public Services – Treasuries and Accounts Department – Pension Payment Offices, Hyderabad – Fraudulent drawal of pensions by Sri Md.Ashfaq, formerly private receipt writer O/o APPO, Chandrayanagutta and Md. Ibrahim Khaleel, Controller, APSRTC, Barkatpura to a tune of Rs.20.00 lakhs – Departmental Proceedings initiated against Retired Officers/in Service Officers of PPO Unit of Treasuries and Accounts Department – Disciplinary action against Sri M.Eshwaraiah, Junior Accounts Officer (Retd.) – Imposition of punishment of withholding of Rs.2,000/- per month from his pension for a period of nineteen months (19 months) under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

FINANCE (ADMN.I.VIG.) DEPARTMENT

G.O.Rt.No. 2059

Dated:16-05-2011

Read the following:-

1. DTA Lr.No.K5/22856/2001, dt. 17-6-2003.
2. Govt. D.O.Lr.No.13365-A/42/Admn.I.Vig/2003, dt. 21-10-2003.
3. DTA Charge Memo.No. K5/22856/2001-11,Dated: 14-02-2004.
4. Defence Statement of Sri M.Eswaraiah, Junior Accounts Officer, (Retd.), dt: 24-07-2006.
5. G.O.Ms.No.455, Finance (Admn.I.Vig) Dept, dt: 26-11- 2008.
6. Enquiry Report of Sri Janak Raj, Commissioner of Inquiries D.O.Lr.No.2128/COI.JR/2008,dt:05-11-2009.
7. Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003, dt.09-12-09.
8. DTA. Lr.No. K(II)8/22856/2001, dated 27-03-2010 along with representation of Sri.M.Eswaraiah, Junior Accounts Officer, (Retd),dt. 23-12-2009.
9. Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003,dated:22-06-10.
10. Explanation of Sri M.Eswaraiah, JAO (Retd.),dt.07-07-2010.
11. Govt. Letter No. 13365-A/42/Admn.I.Vig/2003, dated 05-01-2011 addressed to Secretary, APPSC.
12. Secretary, APPSC Lr.No.186/RT-I/3/2011, dated 14-03-2011.

* * * * *

ORDER:

The Director of Treasuries and Accounts, in the reference 1st read above, reported that a case of fraudulent drawals took place in the offices of Assistant Pension Payment Officers, Chandrayanagutta, Motigally, Nampally, Punjagutta and Narayanaguda. This came to light when the Banjara Hills Police have nabbed two culprits – Sri Md.Ashfaq and Sri Ibrahim Khaleel. The preliminary reports indicated that the said Sri Mohd Ashfaq, who worked earlier as pension receipt writer at the O/o the APPO, Chandrayanagutta made use of his knowledge of pension payment procedures and his contacts with the staff of the office of different APPOs and resorted to fraudulent drawls by adopting dubious means. The enquiries

have revealed that the culprits used to make representations in the name of the deceased pensioners, and get the addresses changed and change the bank of the pensioners and drew the amounts fraudulently. The Police investigations revealed that the culprits have resorted to this kind of fraud in about 30 cases. On the request of the police the probable amounts of those fraudulent drawls has been estimated to be Rs.20,54,000/-. A criminal case in this matter has been registered in the Banjara Hills Police Station and it is under investigation. On detection of this fraud, the department undertook a detailed verification of those 30 Pension Payment Orders and found that the Assistant Pension Payment Officers have allowed the change of bank merely based on the option form or a representation received in the name of the pensioner and credited pension to the new bank account without following the prescribed procedure. The descriptive rolls were changed by affixing the photographs of the fake pensioners. The Assistant Pension Payment Officers concerned have failed to keep records in the safe-custody and thereby given scope for the culprits and those who were in connivance with them to have easy access and commit the fraud. The Charged Officers failed to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms. No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time and thus, they have not only given scope for these fraudulent drawls but also helped the culprits to continuously draw them over a period of time. They have not followed appropriate procedure in obtaining the life-certificates, descriptive rolls and in filing them in the files concerned. These failures have paved way for the culprits to tamper with records of the office and resort to fraudulent drawls.

2. Departmental Proceedings were initiated against Sri M.Eshwaraiah, Junior Accounts Officer,(Retired) along with others of PPO Unit of Treasuries and Accounts Department who were allegedly responsible for the irregularities and for their failure to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time. The following Article of Charge has been framed against Sri M.Eswaraiah, the then Junior Accounts Officer and now retired vide DTA Charge Memo K5/22856/2001-11, dt.14-02-2004.

Sri M.Eswaraiah, Junior Accounts Officer, (Retd.), while working as Junior Accounts Officer, O/o APPO, Chandrayangutta and Malakpet during the period from June 1999 to November 2001 has failed to follow the procedure prescribed in A.P.Treasury Code and Instructions issued thereon from time to time in making pension disbursements in respect of certain Pension Payment Orders and thereby given scope for drawls and was responsible for a loss of Rs.20,478/- to the exchequer.

Thus, Sri M.Eswaraiah, the then Junior Accounts Officer ,(Now Retired.), O/o APPO, Chandrayangutta and Malakpet by the above mentioned acts has exhibited lack of integrity devotion to duty and conduct unbecoming of a

Government Servant and thereby contravened Rule 3 (1) & (2) of A.P. Civil Service (Conduct) Rules, 1964.

3. In his defence statement, while denying the article of charge framed against him he has requested to drop the charge on the following grounds:

(i) The statement showing the pension payment orders and the details of the amounts fraudulently drawn during his period at C-Gutta. All the fifteen cases belong to July 1999, the pensioners would not be attending the branches personally as they were receiving pension from the banks only. There was no case for him to verify whether a particular case was bonafide or bogus and he was made to attest the entries made in the PPOs based on the entries made for the previous months only and computer units were sent to the banks based on the previous month list. The question of verifying the death certificates does not arise as no such certificates were received in the office by them. The verification of life certificates also would arise in the month of January only and the pension could be stopped in the event of non-receipt of the life certificates etc. Hence he is not held responsible for the payment of pensions of 15 members for the month of July 1999 in the office of the APPO, C-Gutta. His stay in the branch of C-Gutta was only for a short period from 16-7-1999 to 23-8-1999 and there was no scope to develop even personal interest though he did not work in C-Gutta branch during the period of 6/99 it has been shown in the charge memo that he is responsible for the irregular payment of the bogus pensioners.

ii) In respect of a case of Sri Abdul Jaleel in whose name pension was sent from Malakpet Branch for the period from 11/99 to 11/2001. He stated that the life certificates were received through the banks and they are available in the PPO. There was no need to entertain doubt about its bonafides. Further the payment of pension was continued in his period and the DRs were not substituted during the period he worked in Malakpet Branch. It cannot be said that he was responsible for the replacement of DRs and for sending pension to the said bogus pensioner as he was not aware about it being bogus pensioner.

iii) Another interesting factor is as to how the S.B.Accounts could be opened in the banks in the name of bogus pensioners. There should have been some body who introduced the bogus pensioner to the banks at the time of opening of SB Accounts. The authorities have not gone into this matter and the bank authorities do not seem to have been addressed in the matter.

4. The defence of the charged officer that he had paid pension to bogus pensioners based on the life certificates is not at all tenable. It may not be possible to others, without collusion of the Charged Officers working in the APPO offices, to replace the photographs of the deceased pensioners pasted on the descriptive rolls with the photographs of the bogus pensioners. The defence of the Charged Officer is not

satisfactory. The truth will come out only in a common inquiry of all the charged officers involved in the case. Hence, the Government have decided to conduct a regular common enquiry as per the procedure laid down under Rule 20 of A.P. Civil Services (CC&A) Rules 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980. Since a common inquiry has to be ordered in this case to elicit the truth against all the 44 charged officers involved in this case, the disciplinary authority could not proceed with further action as majority of the Charged Officers did not submit their written statement of defence and insisted for certain original documents which were seized by the police and copies of certain documents.

5. Government, in exercise of the powers conferred by Sub-rule (2) of Rule 20 of A.P. Civil Services (CC&A) Rules, 1991, appointed Sri Janak Raj, IPS (Retd.) Commissioner of Inquiries, Department as Inquiry Authority to inquire into the charges framed against the Charged Officer Sri M.Eshwaraiah, Junior Accounts Officer, (Retd.), Treasury and Accounts Department and in exercise of the powers conferred by Sub-Rule (5) of A.P. Civil Services (CC&A) Rules, 1991 appointed Sri Jagan Mohan Goud, Joint Director of Treasuries and Accounts O/o the Director General, Dr. MCR HRDI, Hyderabad as Presenting Officer.

6. The Inquiry Authority, Sri Janak Raj, Commissioner of Inquires has furnished his report vide reference 6th read above. In the Enquiry the charge framed against Sri M.Eshwaraiah, Junior Accounts Officer (Retd.) has been proved. While furnishing a copy of the report of Enquiry Officer, a Show Cause Notice was issued to Sri M.Eshwaraiah, Junior Accounts Officer (Retd.) as to why a suitable punishment should not be imposed against him as the charge framed against has been proved in the inquiry vide reference 7th cited.

7. Sri M.Eshwaraiah, Junior Accounts Officer (Retd.) in his representation has stated that there was no scope to see the pensioner before making payment as per G.O.ms.No.79, Finance and Planning (FW-PSC) department dt:4-3-1989 and G.O.Ms.No.213, Finance & Planning (FW-PSC) Department, dt:19-12-1997 in as much the pension was being paid through the bank only. Mustering of pensioner was also dispensed with as the pensioner need not visit Pension Payment Officer as per S.R.67 (A) under T.R. 16 of APTC Vol.1. The other point i.e., failure to obtain Life Certificate is not at all relevant to him as the pensioners have submitted their life certificate on the specified period and the copies of the Life Certificates are submitted for perusal. The question of obtaining Life Certificate does not arise. Only for the sake of providing the charge, the presenting officer has tried to fix up responsibility based on the drag subsidiary rules under T.R. 16 of PTC Vol.I. The same method is being followed even today and there is no compulsion on the part of the pensioner to appear before the Pension Disbursing officer as per G.O.Ms.No.213, Finance and Planning (FW- PSC) Dept., dt:19-12-1997 also. Thus by taking into consideration, he has requested to drop further action in the matter and release all his pensionery benefits.

8. Government after careful consideration of the findings of the Inquiry Authority and representation of the Charged Officer, has provisionally decided to impose a

punishment of withholding of Rs.2,000/- from his pension for a period of 19 months and issued a final Show Cause Notice to him vide reference 9th read above.

9. *According to Rule 9 (1) A.P. Revised Pension Rules, 1980, "The Government reserves to themselves the right of withholding a pension or gratuity, either in full or in part, or withdrawing a pension in full or in part, whether permanently or for a specific period and of ordering recovery from a pension or gratuity of the whole or part of any pecuniary loss caused, to the Government and to the local authority if, in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service, including service rendered upon re-employment after retirement: Provided that the Andhra Pradesh Public Service Commission shall be consulted before any final orders are passed. Further, the Government will serve the person concerned with a show-cause notice specifying the action proposed to be taken under this rule and the person concerned will be required to submit his reply to the show-cause notice within such time as may be specified by the Government. The Government will consider the reply and consult the Andhra Pradesh Public Service Commission. If as a result of such consideration in consultation with the Commission, it is decided to pass an order under the rule, necessary orders will be issued in the name of the Government."*

10. Sri M.Eshwaraiah, Junior Accounts Officer (Retd.) in his explanation to the Final Show cause notice dated 22-06-2010 stated that he has failed to follow the procedure prescribed in AP Treasury code and the instructions issued thereon from time to time in making pension disbursements for which he was responsible for loss of Rs.20,478/-. In this regard he submitted his explanation denying the charge in Toto. As on today his pensionary benefits i.e., full pension, gratuity and commutation is not released due to pending of above petty disciplinary proceedings except paying provisional pension and he is accepting the recovery of amount of Rs.38,000/- @ 2,000 per month for 19 months as mentioned in the final show cause notice from his full pension while releasing his pensionary benefits i.e., gratuity, full pension and CVP immediately. Hence requested to release his due pensionary benefits to enable him to perform his daughter marriage without further delay.

11. Government, after careful consideration of the material on record i.e. Charge Memo., defence statement, finding of the Inquiry Authority, explanation of the Charged Officer to the Show Cause Notices found that the Charged Officer did not follow the provisions contained under Sub Rules 64-87 under Rule 16 of the A.P. Treasury Code and the instructions thereon issued by the Government in payment of pensions. The charged Officer has stated that he had followed the orders issued GOs 79 and 213. In the said GOs orders were issued simplifying procedure in respect of payment of pensions. Pensions hitherto paid in cash at PPOs /Treasury Offices. This practice was changed and made the pensioners to opt the Bank which is nearer to them for receipt of pension through Banks. The other conditions remain unchanged. The Charged Officer is under the impression that consequent to the orders issued in the said GOs, no checks need be effected as the orders issued are pending amendment to the respective codal provision. There is no such amendment in the orders issued. Hence, the respective codal provisions remain in force and needs to be

followed. Due to non-exercise of checks fraudulent payment of pensions were occurred due to replacement of photos and other information in the descriptive rolls of pension payment orders with bogus photos and rolls. Mustering of pensioners would have identified such cases. In the G.O.79 and 213 orders have been issued for furnishing necessary certificates through banks, but the process of mustering will help pension disbursing officer to establish proof of pensioners existence. **The Charged Officer had totally failed to follow the procedure of payment of pension stipulated under A.P. Treasury Code.** Therefore, Government, provisionally decided to impose a punishment of withholding of Rs.2,000/- from his pension for a period of 19 months on Sri M.Eshwaraiah, Junior Accounts Officer (Retd.) and addressed the Secretary, Andhra Pradesh Public Service Commission for according concurrence of the Commission with the proposed punishment against Sri M.Eshwaraiah, Junior Accounts Officer (Retd.) and intimate the same to the Government for taking further action.

12. The Secretary, A.P. Public Service Commission, Hyderabad in their letter 12th read above, have concurred with the proposal of the Government for imposition of a punishment of withholding Rs.2,000/- per month from pension for a period of 19 months on the Charged Officer Sri M.Eshwaraiah, Junior Accounts Officer (Retd.).

13. Government accordingly, hereby order for imposition of a punishment of withholding Rs.2,000/- per month from pension for a period of 19 months on the Charged Officer Sri M.Eshwaraiah, Junior Accounts Officer (Retd.) under Rule 9 of A.P. Revised Pension Rules, 1980.

14. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

15. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**L.V.SUBRAHMANYAM
PRINCIPAL SECRETARY TO GOVERNMENT (FP)**

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

The Joint Director, PPO, Hyderabad.

Copy to:

The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, A.P., Hyderabad.

The Accountant General, A.P., Hyderabad.

SF/SC

:: FORWARDED BY ORDER ::

SECTION OFFICER